

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF OKLAHOMA**

In re:)	
PAUL TRANSPORTATION, INC.,)	Case No. 10-13022 NLJ
Debtor.)	(Chapter 11)

DEBTOR'S INITIAL REPORT

COMES NOW the above-named debtor and files its Initial Report in accordance with the Guidelines established by the United States Trustee and Rule 2015, F.R.Bankr.P.

Date: June 8, 2010

Respectfully submitted,

/s/ Matthew C. Goodin

Matthew C. Goodin, OBA #19327

Stephen W. Elliott, OBA #2685

G. David Bryant, OBA #01264

KLINE KLINE ELLIOTT & BRYANT, PC

720 NE 63rd Street

Oklahoma City, OK 73105

Telephone (405) 848-4448

Facsimile (405) 842-4539

mgoodin@klinefirm.org

ATTORNEYS FOR THE DEBTOR IN
POSSESSION, PAUL TRANSPORTATION, INC.

CERTIFICATE OF SERVICE

This is to certify that on the 8th day of June, 2010, I electronically transmitted the above and foregoing motion to the Clerk of the Court using the ECF System for filing and transmittal of a Notice of Electronic Filing to the ECF registrants. Based on the records currently on file, the Clerk of the Court will transmit a Notice of Electronic Filing to the ECF registrants listed on the attached "Electronic Mail Notice List."

/s/ Matthew C. Goodin

Matthew C. Goodin, OBA #19327

Mailing Information for Case 10-13022

Electronic Mail Notice List

The following is the list of **parties** who are currently on the list to receive e-mail notice/service for this case.

- **G. David Bryant** dbryant@klinefirm.org,
dbryant@ecf.epiqsystems.com;jbarnes@klinefirm.org
- **Stephen W. Elliott** selliot@klinefirm.org, klinefirm@aol.com;mmills@klinefirm.org
- **Matthew Clay Goodin** mattgoodin@cox.net, mgoodin@klinefirm.org,mrasp@klinefirm.org
- **William H. Hoch** hochw@crowedunlevy.com,
kerryann.wagoner@crowedunlevy.com;ecf@crowedunlevy.com
- **Nkem A House** nkem.house@crowedunlevy.com,
paul.young@crowedunlevy.com;paula.tarbutton@crowedunlevy.com
- **Crystal A Johnson** cjohnson@cwlaw.com, lskinner@cwlaw.com;OKC_ECF@cwlaw.com
- **Carlos D Mayes** dmayes@nashfirm.com, daynemayes@gmail.com;rnash@nashfirm.com
- **John W. Mee** jwm3@meehoge.com, sar@meehoge.com;meehoge11@yahoo.com
- **Kiran A. Phansalkar** kphansalkar@cwlaw.com,
lskinner@cwlaw.com;OKC_ECF@cwlaw.com
- **Andrew R. Turner** aturner@cwlaw.com
- **U.S. Trustee** Ustpreregion20.oc.ecf@usdoj.gov
- **Edward M Zachary** edward.zachary@bryancave.com

Manual Notice List

The following is the list of **parties** who are **not** on the list to receive e-mail notice/service for this case (who therefore require manual noticing/service). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

Commercial Credit Group Inc.

121 W. Trade St.
Suite 2100
Charlotte, NC 28202

Financial Federal Credit Inc.

730 Third Avenue
23rd Floor
New York, NY 10017

Missouri Department of Revenue

General Counsel's Office
P.O Box 475
Jefferson City, MO 65105

Creditor List

Click the link above to produce a complete list of **creditors** only.

IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA

In Re:)
)
PAUL TRANSPORTATION, INC.) Bankruptcy No: 10-13022
) Chapter 11
)
Debtor.)

I N I T I A L R E P O R T

COMES NOW, PAUL TRANSPORTATION, INC., Debtor-in-Possession,
and hereby submits its Initial Report as shown by the attached
Exhibits consisting of 8 pages, in addition to the following
exhibits, as indicated:

<u> X </u>	Balance Sheet as of the date of the Order for Relief. Exhibit "1".
<u> X </u>	Income Statement for the thirty (30) day period immediately preceding the date of the Order for Relief. Exhibit "2".
<u> X </u>	Insurance, Tax and Cash Collateral Statements. Exhibit "3".
<u> X </u>	Four (4) month projections from operations. Exhibit "4".
<u> X </u>	Designation of individual responsible for discharging Debtor's duties. Exhibit "5".
<u> X </u>	Designation of individual responsible for Financial Reports. Exhibit "6".
<u> X </u>	Receipt and Certificate concerning operating requirements. Exhibit "7".
<u> X </u>	Debtor's Section 345 Bank Account Certificate. Exhibit "8".

I DECLARE UNDER PENALTY OF PERJURY THAT THIS REPORT AND
ATTACHMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE
AND BELIEF.

DEBTOR-IN-POSSESSION

DATE: 06/07/2010

BY: Troy Paul

NAME: Troy Paul

TITLE: President

ADDRESS: Po Box 5006 Enid Ok

TELEPHONE: 580-242-4129

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF OKLAHOMA

In re:)	
)	
PAUL TRANSPORTATION, INC.)	Case No. 10-13022-NLJ
)	
Debtor.)	

DEBTOR'S INITIAL REPORT

EXHIBIT 1

DATE 5-19-10
TIME 15:31

Period Ending 4-30-10 GLREPT
Y/E CLS DETAIL Period 04/10 Page 1

PAUL TR ANSPORTATION INC
BALANCE SHEET PRIOR TO
PRIOR YEAR CURRENT YEAR
ENDING BALANCE ACTIVITY

ADJUSTED LTD
BALANCE

ASSETS 100000
CURRENT ASSETS 100100
CASH 100200
CASH-209040385 101000
CASH-806686715 101100
SAVINGS ACCT-BOK 101200
CD AT BANK 101300
CASH-208376590-WORK COM 101500
COPPERMARK-CHECKING/OPE 101600
COPPERMARK-SAVINGS/RESE 101700
COPPERMARK-WORK COMP 101800
CD #203353 101900
TOTAL CASH

18,391.28 60,226.41 78,617.69
10.9 -10.9 0
1,815.64 -1,815.64 0
0.05 -0.05 0
-97,203.61 97,203.61 0
0 -121,737.16 -121,737.16
0 255.5 255.5
0 1,197.71 1,197.71
0 15,019.24 15,019.24
-76,985.74 50,338.72 -26,647.02

ACCOUNTS RECEIVABLE 113000
TRADE ACCOUNTS RECEIVAB 113100
RESERVE FOR BAD DEBT 113101
A/R TROY PAUL/STACIA PA 113102
NOTES REC/PAUL LOGISTIC 113200
ACCTS REC/OTHER 113600
TOTAL ACCOUNTS RECEIVABLE

2,739,136.87 5,186.09 2,744,322.96
-309,962.50 0 -309,962.50
28,047.15 0 28,047.15
0 22,000.00 22,000.00
18,229.13 46,405.48 64,634.61
2,475,450.65 73,591.57 2,549,042.22

PREPAYMENTS 114000
PREPAYMENTS 114100
PREPAID TAGS & LICENSES 114100

187,400.33 -124,933.56 62,466.77

PREPAID LEASE	114203	89,992.02	-89,992.02	0
PREPAID 2290 TAXES	114300	56,925.00	-37,950.00	18,975.00
PREPAID ATTY RETAINER	114400	0	50,000.00	50,000.00
WC PREPAY	114402	103,576.80	-51,788.40	51,788.40
WARRANTY TRUCKS	114408	125,591.82	-12,317.52	113,274.30
RTS RESERVES	114500	-51,035.62	-11,196.88	-62,232.50
RTS VOIDS PENDING RECOU	114501	-2,495.00	0	-2,495.00
RTS RESERVES (BROKER)	114600	8,985.09	384.2	9,369.29
RTS PAYABLE (LOC)	114650	-1,751,405.89	190,863.67	-1,560,542.22
SOUTHERN PIONEER ELEC D	114701	0	3,257.00	3,257.00
KANSAS GAS SERV DEP	114800	16,961.67	-15,761.67	1,200.00
CITY OF MED LODGE DEP	114801	0	50	50
OG&E-OKC DEP	114802	812.09	2,846.86	3,658.95
PLASTIC-ML,KS	114900	4,712.40	0	4,712.40
BOND-CANADA	115100	1,000.00	0	1,000.00
SHOP DEPOSIT-OKC	121200	6,000.00	0	6,000.00
SHOP DEPOSIT-ML	121300	11,000.00	0	11,000.00
FT DODGE DEPOSIT	121400	1,250.00	-1,250.00	0
HOUSTON DEPOSIT	121405	21,400.00	-13,500.00	7,900.00
TOTAL PREPAYMENTS		-1,169,329.29	-111,288.32	-1,280,617.61
TOTAL PREPAYMENTS		-1,169,329.29	-111,288.32	-1,280,617.61
INVENTORY	122000			
SHOP EQUIPMENT-OKC	123300	80,292.56	11,500.00	91,792.56
PARTS INVENTORY-OKC	123301	49,199.77	20,258.21	69,457.98

DATE 5-19-10	PAUL TR	ANSPORTATION INC	Period Ending 4-30-10	GIREPT
TIME 15:31	BALANCE	SHEET PRIOR TO	Y/E CLS DETAIL	Page 2
	PRIOR YEAR	CURRENT YEAR	ADJUSTED LTD	
	ENDING BALANCE	ACTIVITY	BALANCE	
	=====	=====	=====	

CORES	123302	11,205.32	0	11,205.32
NON LOCATION PARTS	123303	45,084.01	0	45,084.01
PARTS INVENTORY-KS	123400	113,537.74	2,431.84	115,969.58
SHOP EQUIP-ML KS	123401	49,911.27	0	49,911.27
TRUCK EQUIPMENT INVENTO	123700	184,080.40	0	184,080.40
TIRE INVENTORY-OKC	123800	-2,886.93	9,377.43	6,490.50
TIRE INVENTORY-KS	123801	16,751.75	1,390.60	18,142.35
QUALCOMM UNITS	123900	185,765.81	0	185,765.81
REVENUE EQUIP SETUP INV	124000	982,627.77	0	982,627.77
COIL	124300	19,977.53	0	19,977.53
TOTAL INVENTORY		1,735,547.00	44,958.08	1,780,505.08
DRIVER CHARGES	150000			
COMPANY DRIVER ADVANCES	151200			
COMDATA DRVR & O/O ADVA	151200	115,318.10	-58,897.36	56,420.74
DRIVER RECEIVABLE	151201	5,745.34	-3,509.26	2,236.08
DRIVER ADV FOR NEG PAY	151202	16,403.59	-7,360.38	9,043.21
TOTAL COMPANY DRIVER ADVAN		137,467.03	-69,767.00	67,700.03
OWNER OPERATOR ADVANCES	151300			
COMDATA O/OP CARD TRANS	151301	1,415.93	1,606.68	3,022.61
O/OP ADV FOR NEG PAY	151302	0	1,033.35	1,033.35
DRIVER ADVANCES RECEIVA	151303	1,846.93	-572.22	1,274.71
COMDATA EXPRESS CASH CL	151304	6,638.68	-6,638.68	0
TOTAL OWNER OPERATOR ADVAN		9,901.54	-4,570.87	5,330.67
DEFERRED DEBITS/CARRIER	151500			
DEFERRED DEBITS/CARRIER	151500	4,199.90	9.8	4,209.70
TOTAL DEFERRED DEBITS/CARR		4,199.90	9.8	4,209.70
SHOP RECEIVABLE/CLEARIN	151800			
O/O SHOP RECEIVABLE	151801	260.59	-260.59	0

SHOP OUTSIDE REPAIR CLE 151802	-12,173.32	-10,072.87	-22,246.19
TOTAL SHOP RECEIVABLE/CLEA	-11,912.73	-10,333.46	-22,246.19
MISC CLEARING ACCOUNTS 155000			
NONCHECK/PARTIAL PAYMEN 155200	28,985.14	-28,985.14	0
TOTAL MISC CLEARING ACCOUN	28,985.14	-28,985.14	0
TOTAL DRIVER CHARGES	168,640.88	-113,646.67	54,994.21
TOTAL CURRENT ASSETS	3,133,323.50	-56,046.62	3,077,276.88
FIXED ASSETS 180000			
REVENUE EQUIPMENT 180000			
TRACTORS 181000	13,399,761.19	-4,483,153.06	8,916,608.13
TRACTORS-HELD FOR SALE 181500	1,282,465.90	-1,282,465.90	0
TRACTOR-HELD FOR SALE-I 181600	-299,482.10	265,438.29	-34,043.81
TRAILERS 182000	12,452,868.88	-4,324,884.21	8,127,984.67
SERVICE CARS 184000	173,672.51	17,919.00	191,591.51
TOTAL REVENUE EQUIPMENT	27,009,286.38	-9,807,145.88	17,202,140.50

DATE 5-19-10
TIME 15:31

PAUL TR	ANSPORTATION INC	Y/E CLS DETAIL	Period Ending 4-30-10	GLREPT
BALANCE	SHEET PRIOR TO		Period 04/10	Page 3
PRIOR YEAR	CURRENT YEAR	ADJUSTED LTD		
ENDING BALANCE	ACTIVITY	BALANCE		
=====	=====	=====		

OFFICE EQUIPMENT & FURN 185000			
OFFICE EQUIPMENT 185000	528,067.05	0	528,067.05
BUILDING 185200	117,544.72	0	117,544.72
LEASEHOLD IMPROVEMENTS 186000	57,484.73	0	57,484.73
OTHER ASSETS 187500			

CUSTOMER BASE 188100	527,783.33	-26,389.16	501,394.17
TOTAL OTHER ASSETS	527,783.33	-26,389.16	501,394.17
TOTAL OFFICE EQUIPMENT & FU	1,230,879.83	-26,389.16	1,204,490.67
DEPRECIATION 189000			
ACCUMULATED DEPRECIATIO 189000	-7,104,023.87	1,389,099.11	-5,714,924.76
TOTAL DEPRECIATION	-7,104,023.87	1,389,099.11	-5,714,924.76
TOTAL FIXED ASSETS	21,136,142.34	-8,444,435.93	12,691,706.41
TOTAL ASSETS	24,269,465.84	-8,500,482.55	15,768,983.29
LIABILITIES AND EQUITY 200000			
CURRENT LIABILITIES 200000			
ACCOUNTS PAYABLE 203000			
EMPLOYEE RELATED 203300			
A/P: GARNISHMENTS 203301	-8.08	29.79	21.71
A/P: 401K PAYABLE 203302	-3,337.72	2,003.71	-1,334.01
A/P: AFLAC INSURANCE 203305	-3,560.96	180.3	-3,380.66
FEDERAL WITHHOLDING TAX 203320	-17,742.59	-137,526.73	-155,269.32
STATE WITHHOLDING TAX P 203321	-712.71	-25,815.24	-26,527.95
FICA PAYABLE 203322	-33,638.12	-246,405.30	-280,043.42
FED UNEMPLOYMENT PAYABL 203323	-1,260.64	-7,612.09	-8,872.73
STATE UNEMPLOYMENT EMPL 203342	0	-19,266.08	-19,266.08
WORKERS COMP RESERVES 203345	-387,411.00	0	-387,411.00
TOTAL EMPLOYEE RELATED	-447,671.82	-434,411.64	-882,083.46
ACCOUNTS PAYABLE/TRADE 203400			
ACCTS PAYABLE/TRADE(AP 203400	-2,261,677.98	542,453.82	-1,719,224.16
AMEX PAYABLE 203500	0	-44,259.50	-44,259.50
TOTAL ACCOUNTS PAYABLE/TRA	-2,261,677.98	498,194.32	-1,763,483.66
ACCOUNTS PAYABLE/SETTLE 203600			

ACCOUNTS PAYABLE/OWNER 203600	-15,345.61	-61,443.53	-76,789.14
A/P: O/O ESCROW: MAINT 203614	-15,009.11	-1,090.07	-16,099.18
A/P: O/O ESCROW: SECURI 203615	-31,569.55	-2,883.10	-34,452.65
A/P: CARRIER SETTLEMENT 203800	-773,268.74	212,249.28	-561,019.46
SALARIES AND WAGES PAYA 204100	-227,239.46	131,756.26	-95,483.20
ACCRUED VACATION 204200	-107,000.00	0	-107,000.00
ACCRUED INTEREST 204300	-71,084.42	-365,694.27	-436,778.69
TOTAL ACCOUNTS PAYABLE/SET	-1,240,516.89	-87,105.43	-1,327,622.32
 TOTAL ACCOUNTS PAYABLE	 -3,949,866.69	 -23,322.75	 -3,973,189.44

ACCRUED PAYS & OTHER CU 210000			
ACCRUED EXPENSES 211000			
ACCRUED EXPENSES 211100	-46,197.23	32,381.76	-13,815.47

DATE 5-19-10
TIME 15:31

	PAUL TR	ANSPORTATION INC	Period Ending 4-30-10	GLREPT
	BALANCE	SHEET PRIOR TO	Y/E CLS DETAIL	Period 04/10
	PRIOR YEAR	CURRENT YEAR	ADJUSTED LTD	Page 4
	ENDING BALANCE	ACTIVITY	BALANCE	
	=====	=====	=====	
ACCRUED UNPD INT/LEASE 211200	-213,914.29	213,914.29		0
ACCRUED PROP TAXES 211300	38,659.50	-30,927.60		7,731.90
ACCRUED FUEL TAXES 211400	-18,757.22	4,413.28		-14,343.94
TOTAL ACCRUED EXPENSES	-240,209.24	219,781.73		-20,427.51
 TOTAL ACCRUED PAYS & OTHER	 -240,209.24	 219,781.73		 -20,427.51
 TOTAL CURRENT LIABILITIES	 -4,190,075.93	 196,458.98		 -3,993,616.95
 LONG TERM LIABILITIES 233000				

PACCAR #9305 (5TT)	233124	-239,286.49	155,640.11	-83,646.38
PACCAR #3711 (5TT)	233127	-255,464.20	103,269.12	-152,195.08
PACCAR-4130(3TT)	233129	-153,504.03	0	-153,504.03
FCC #5145(10TT)	233131	-278,847.08	278,847.08	0
CANANWILL (LIAB. INS.)	233135	-8,584.11	8,584.11	0
CAPITAL ONE #1(7TT)	233138	-4,095.11	4,095.11	0
GMAC NOTES	233142	-65,269.69	5,831.68	-59,438.01
PACCAR-#7291(5TT)	233144	-285,267.27	0	-285,267.27
GE#9107(10TT)/BANK OF T	233145	-530,805.17	530,805.17	0
CCG #0802(12 DCABS)	233165	-943,627.42	35,659.91	-907,967.51
GE-LOAN 1 2007(60TR)	233166	-1,117,007.84	0	-1,117,007.84
GE LOAN 3 2006 (23TR)	233167	-354,686.80	0	-354,686.80
GE-LOAN 4 2007 (113TR)	233169	-2,116,225.90	0	-2,116,225.90
GE-LOAN 5 2008 (32TR)	233170	-648,428.86	0	-648,428.86
CCG #20802 (10TT)	233171	-958,938.28	10,806.80	-948,131.48
COPPERMARK	233172	-307,750.00	307,750.00	0
CITIZENS BANK OF OK	233174	-506,227.32	-1,109.89	-507,337.21
CITICAPITAL 2683,2684,2	233175	-1,122,548.10	0	-1,122,548.10
CAPITAL LEASES	233176	-11,182,402.85	6,365,371.44	-4,817,031.41
TOTAL LONG TERM LIABILITIES		-21,078,966.52	7,805,550.64	-13,273,415.88
STOCKHOLDER'S EQUITY	260000			
CAPITAL STOCK	261000			
CAPITAL STOCK-PREFERRED	261100	-400	0	-400
DIVIDENDS PAID	261400	724,282.79	0	724,282.79
TOTAL CAPITAL STOCK		723,882.79	0	723,882.79
RETAINED EARNINGS	265000			
RETAINED EARNINGS/LIFE	265200	-2,175,291.73	0	-2,175,291.73
RETAINED EARNINGS/YEAR	265300	2,450,985.55	498,472.93	2,949,458.48
TOTAL RETAINED EARNINGS		275,693.82	498,472.93	774,166.75
TOTAL STOCKHOLDER'S EQUITY		999,576.61	498,472.93	1,498,049.54

-15,768,983.29

8,500,482.55

-24,269,465.84

TOTAL LIABILITIES AND EQUITY

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF OKLAHOMA

In re:)	
)	
PAUL TRANSPORTATION, INC.)	Case No. 10-13022-NLJ
)	
Debtor.)	

DEBTOR'S INITIAL REPORT

EXHIBIT 2

Monthly Cash Flow					
2010	Jan (actual)	Feb (actual)	Mar (actual)	April (actual)	May
REVENUE					
Linehaul	\$ 1,733,850	\$ 1,705,775	\$ 2,038,979	\$ 1,845,698	\$ 1,976,426
FSC change formula 18.2%	\$ 345,053	\$ 359,830	\$ 423,481	\$ 401,049	\$ 631,209
Accessorials	\$ 26,929	\$ 126,603	\$ 53,352	\$ 41,915	\$ 37,218
Brokerage Revenue	\$ 33,149	\$ 39,993	\$ 61,143	\$ 36,091	\$ 123,849
Total Freight and Brokerage Revenue	\$ 2,138,981	\$ 2,232,202	\$ 2,576,955	\$ 2,324,752	\$ 2,768,702
EXPENSES					
Salaries	\$ 561,540	\$ 500,970	\$ 552,402	\$ 510,100	\$ 706,019
Benefits and Taxes	\$ 97,988	\$ 46,935	\$ 46,035	\$ 47,498	\$ 60,000
Fuel 25% of Revenue	\$ 534,745	\$ 558,050	\$ 644,239	\$ 581,188	\$ 692,175
Operating Expenses	\$ 354,879	\$ 269,790	\$ 270,146	\$ 300,711	\$ 400,000
Insurance	\$ 49,348	\$ 61,135	\$ 48,431	\$ 49,413	\$ 60,000
WC Claims/Insurance	\$ 7,254	\$ 132,383	\$ 72,119	\$ (23,402)	\$ 40,000
Communication	\$ 15,179	\$ 16,421	\$ 11,773	\$ 17,206	\$ 16,000
Purchased Transportation- 51 owner/ops	\$ 301,063	\$ 352,766	\$ 473,515	\$ 490,872	\$ 300,000
Recruiting	\$ 2,590	\$ 500	\$ 1,458	\$ 748	\$ 2,600
Total Op Expenses	\$ 1,924,586	\$ 1,938,951	\$ 2,120,118	\$ 1,974,333	\$ 2,276,794
Equipment Payments-122 trucks/324 trailers	\$ 100,000	\$ 200,000	\$ 300,000	\$ 390,000	\$ 390,000
Total Payments	\$ 100,000	\$ 200,000	\$ 300,000	\$ 390,000	\$ 390,000
Total Expenses	\$ 2,024,586	\$ 2,138,951	\$ 2,420,118	\$ 2,364,333	\$ 2,666,794
Cash Flow	\$ 114,395	\$ 93,251	\$ 156,837	\$ (39,581)	\$ 101,907

Date: 05-19-10 FORM PAUL TRANSPORTATION INC. Period Ending 04-30-10 GL15
 Time: 15:31 OPERATING STATEMENT - CONSOLIDATED Page 1
 DETAIL FOR PERIOD 04/10

Account Name	Current Month	%	Prev Month	%	Current Quarter	%	Current YTD	%
OPERATING REVENUE AND EXPENSES								
TRANSPORTATION OPERATING REV								
FREIGHT REVENUE								
LINEHAUL REVENUE COMPANY	1,845,697.56	79.4	2,038,979.12	79.1	1,845,697.56	79.4	7,340,854.37	78.8
PTS REVENUE	36,090.82	1.6	61,142.60	2.4	36,090.82	1.6	170,676.30	1.8
TOTAL FREIGHT REVENUE	1,881,788.38	80.9	2,100,121.72	81.5	1,881,788.38	80.9	7,511,530.67	80.6
FREIGHT REV: ACCESSORIALS								
FUEL SURCHARGE	401,049.37	17.3	423,481.14	16.4	401,049.37	17.3	1,529,412.92	16.4
PERMITS	7,863.42	.3	13,053.33	.5	7,863.42	.3	42,995.75	.5
ESCORT	.00	.0	.00	.0	.00	.0	2,500.00	.0
REVENUE WRITEOFFS/ADJ	20,204.24	.9	25,903.77	1.0	20,204.24	.9	78,397.80	.8
STORE REVENUE	.00	.0	.00	.0	.00	.0	40.00	.0
OTHER OPERATING REVENUE	13,677.00	.6	13,580.00	.5	13,677.00	.6	148,442.00	1.6
REPAIR REVENUE	170.00	.0	571.27	.0	170.00	.0	789.02	.0
TOTAL FREIGHT REV: ACCESSORIALS	442,964.03	19.1	476,589.51	18.5	442,964.03	19.1	1,802,577.49	19.4
TOTAL TRANSPORTATION OPERATING REV	2,324,752.41	100.0	2,576,711.23	100.0	2,324,752.41	100.0	9,314,108.16	100.0
OPERATING EXPENSES								
SALARIES & WAGES								
CLERICAL & DISPATCH	105,991.47	4.1	105,991.47	4.1	102,206.84	4.4	423,530.86	4.5
DRIVERS PAYROLL	335,476.22	13.0	335,476.22	13.0	308,968.10	13.3	1,278,694.20	13.7
SHOP PAYROLL	13,583.88	.6	14,625.22	.6	13,583.88	.6	52,857.95	.6
STAFFING SERVICE	6,390.60	.3	4,373.49	.2	6,390.60	.3	12,615.23	.1
VACATION PAY	6,990.08	.3	2,691.74	.1	6,990.08	.3	18,199.14	.2
HOLIDAY/SICK PAY	.00	.0	.00	.0	.00	.0	2,298.92	.0
TOTAL SALARIES & WAGES	438,139.50	18.8	463,158.14	18.0	438,139.50	18.8	1,788,196.30	19.2
PER DIEM EXPENSE	71,960.70	3.1	89,243.70	3.5	71,960.70	3.1	336,815.20	3.6
TOTAL PER DIEM EXPENSE	71,960.70	3.1	89,243.70	3.5	71,960.70	3.1	336,815.20	3.6
PAYROLL TAXES & BENEFITS								
FEDERAL WITHHOLDING TAX / FICA	38,092.98	1.6	30,876.74	1.2	38,092.98	1.6	139,978.94	1.5
FUTA	532.34	.0	1,597.78	.1	532.34	.0	8,872.73	.1
SUTA	4,709.91	.2	5,566.00	.2	4,709.91	.2	19,266.08	.2
401K PLAN	.00	.0	.10	.0	.00	.0	212.21	.0
HEALTH INSURANCE	3,204.89	.1	5,252.41	.2	3,204.89	.1	64,093.40	.7
COBRA	917.51	.0	2,513.19	.1	917.51	.0	5,497.80	.1
DENTAL/VISION/LIFE	40.00	.0	228.40	.0	40.00	.0	959.00	.0
TOTAL PAYROLL TAXES & BENEFITS	47,497.63	2.0	46,034.62	1.8	47,497.63	2.0	238,455.74	2.6
OPERATING EXPENSES								
FUEL EXPENSE	579,948.81	24.9	631,202.78	24.5	579,948.81	24.9	2,386,379.88	25.6
OIL & LUBRICANTS	1,215.56	.1	1,249.86	.0	1,215.56	.1	9,038.51	.1
FUEL AUTOS & OTHER VEHICLES	5,176.92	.2	394.60	.0	5,176.92	.2	5,863.98	.1
TRUCK WARRANTIES	3,079.38	.1	3,079.38	.1	3,079.38	.1	12,317.52	.1
LABOR-SHOP REPAIRS	.00	.0	.00	.0	.00	.0	750.00	.0
TRUCK-ROAD REPAIR SERVICE	29,910.72	1.3	51,908.56	2.0	29,910.72	1.3	144,463.57	1.6
TRUCK-SHOP REPAIR EXP	15,548.77	.7	17,389.83	.7	15,548.77	.7	54,771.10	.6

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PAUL TRANSPORTATION INC.
OPERATING STATEMENT - CONSOLIDATED
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TRAILER-SHOP REPAIR EXP	2,095.14	.1	306.33	.0	2,095.14	.1	3,250.55	.0
CONSUMABLES	1,122.12	.0	469.09	.0	1,122.12	.0	1,816.11	.0
TRAILER-ROAD REPAIR EXP	2,164.86	.1	3,363.82	.1	2,164.86	.1	20,080.47	.2
WASH EXPENSE	445.23	.0	361.43	.0	445.23	.0	1,514.17	.0
IDLE AIR EXP	.00	.0	.00	.0	.00	.0	6,294.47	.1
DECALS	.00	.0	.00	.0	.00	.0	1,020.00	.0
TOWING/FORKLIFT EXPENSE	.00	.0	357.00	.0	.00	.0	882.00	.0
TIRES - TRUCK SHOP	9,993.18	.4	5,389.10	.2	9,993.18	.4	25,316.18	.3
TIRES - TRAILERS SHOP	5,951.34	.3	9,866.81	.4	5,951.34	.3	28,827.01	.3
TIRES -TRUCK ROAD SERVICE	10,739.79	.5	17,171.96	.7	10,739.79	.5	41,259.96	.4
TIRES-TRAILER RD SERVICE	12,842.14	.6	11,846.98	.5	12,842.14	.6	44,873.16	.5
LOAD FEE	35,855.14	1.5	34,882.62	1.4	35,855.14	1.5	136,850.33	1.5
PERMIT EXPENSE	13,887.72	.6	2,548.54	.1	13,887.72	.6	27,373.93	.3
ESCORT EXPENSE	.00	.0	327.60	.0	.00	.0	1,907.97	.0
TARPING EXPENSE	100.00	.0	100.00	.0	100.00	.0	339.00	.0
STRAPS, CHAINS, & BINDERS	.00	.0	.00	.0	.00	.0	321.14	.0
LUMBER/PIPE STAKES EXP	765.00	.0	2,183.62	.1	765.00	.0	7,798.53	.1
LUMPER FEES	.00	.0	22.38	.0	.00	.0	32.66	.0
RENTAL CAR/CAB/BUS	18.00	.0	.00	.0	18.00	.0	233.00	.0
SCALE EXPENSE	223.00	.0	47.00	.0	223.00	.0	831.75	.0
OVERNIGHT COURIERS	1,074.19	.0	814.07	.0	1,074.19	.0	3,840.73	.0
COMDATA FEES	1,197.60	.1	1,356.95	.1	1,197.60	.1	297.40	.0
LODGING & MEALS	1,073.45	.0	907.52	.0	1,073.45	.0	6,241.82	.1
DRIVER PHONE & FAX CHARGES	67.30	.0	51.91	.0	67.30	.0	358.21	.0
TOLL EXPENSE	32,147.87	1.4	1,936.62	.1	32,147.87	1.4	99,650.76	1.1
MILEAGE ALLOWANCE	.00	.0	.00	.0	.00	.0	969.04	.0
TRANSFLO/TRIPAK SCANNING	1,321.60	.1	2,797.70	.1	1,321.60	.1	8,248.30	.1
FINES EXPENSE	338.83	.0	1,132.35	.0	338.83	.0	2,946.73	.0
OTHER OPERATING EXPENSES	4,674.51	.2	6,989.90	.3	4,674.51	.2	19,480.42	.2
TOTAL OPERATING EXPENSES	772,978.17	33.2	806,109.07	31.3	772,978.17	33.2	3,103,860.00	33.3
GENERAL SUPPLIES AND EXPENSES								
OFFICE SUPPLIES	1,961.17	.1	1,023.94	.0	1,961.17	.1	6,829.45	.1
POSTAGE	1,335.57	.1	1,176.71	.0	1,335.57	.1	5,556.74	.1
BANK CHARGES/FEES	7,490.86	.3	1,168.16	.0	7,490.86	.3	17,388.77	.2
GARN-ADMIN FEE	251.79	.0	210.21	.0	251.79	.0	951.72	.0
COMPUTER SOFTWARE/SUPPORT	9,646.27	.4	5,467.07	.2	9,646.27	.4	24,705.91	.3
CUSTOMER RELATIONS	1,996.76	.1	946.38	.0	1,996.76	.1	6,116.94	.1
SALES TRAVEL EXPENSE	.00	.0	400.00	.0	.00	.0	400.00	.0
PROFESSIONAL DUES/FEES	195.00	.0	.00	.0	195.00	.0	2,955.00	.0
ENID UTILITIES	1,510.27	.1	157.00	.0	1,510.27	.1	1,861.27	.0
OKC SHOP UTILITIES	6,373.59	.3	4,982.31	.2	6,373.59	.3	28,422.71	.3
FT DODGE UTILITIES	1,333.95	.1	103.95	.0	1,333.95	.1	1,521.85	.0
ML KS UTILITIES	1,627.46	.1	1,524.90	.1	1,627.46	.1	7,897.40	.1
HOUSTON UTILITIES	2,677.07	.1	1,597.84	.1	2,677.07	.1	7,370.09	.1
ENID RENT EXPENSE	4,800.00	.2	4,800.00	.2	4,800.00	.2	19,200.00	.2
OKC RENT EXPENSE	6,000.00	.3	6,000.00	.2	6,000.00	.3	24,000.00	.3
HOUSTON RENT	6,500.00	.3	6,500.00	.3	6,500.00	.3	25,500.00	.3
ALTUS RENT/UTILITIES	450.00	.0	450.00	.0	450.00	.0	1,800.00	.0
MEDICINE LODGE RENT	3,204.21	.1	5,500.00	.2	3,204.21	.1	27,383.68	.3
JANITORIAL SERVICE SHOP	.00	.0	.00	.0	.00	.0	50.00	.0

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4690.00 MISCELLANEOUS OTHER EXPENSES	2,305.03	.1	7,135.59	.3	2,305.03	.1	13,034.87	.1
TOTAL GENERAL SUPPLIES AND EXPENSES	54,155.36	2.3	48,723.64	1.9	54,155.36	2.3	221,042.96	2.4
SAFETY								
4715.00 PHYSICALS/DRUG & ALCOHOL	2,236.48	.1	2,570.79	.1	2,236.48	.1	8,385.02	.1
4720.00 JJ KELLER	101.68	.0	.00	.0	101.68	.0	919.03	.0
4735.10 DRIVER VIOLATION CHARGEBACKS	1,473.94	.1	785.00	.0	1,473.94	.1	3,613.84	.0
TOTAL SAFETY	864.22	.0	1,785.79	.1	864.22	.0	5,690.21	.1
OPERATING TAXES & LICENSES								
4760.00 STATE FUEL TAX EXPENSE	4,100.71	.2	9,954.21	.4	4,100.71	.2	28,496.79	.3
4765.00 2290 TAX HWY USE	9,487.50	.4	10,220.82	.4	9,487.50	.4	38,683.32	.4
4770.00 VEH LIC & REG FEES	30,893.49	1.3	29,799.40	1.2	30,893.49	1.3	130,097.55	1.4
4790.00 WEIGHT, DIST, PROP STATE TAXES	9,419.40	.4	7,731.90	.3	9,419.40	.4	32,616.89	.4
TOTAL OPERATING TAXES & LICENSES	53,901.10	2.3	57,706.33	2.2	53,901.10	2.3	229,894.55	2.5
INSURANCE								
4810.00 LIABILITY INSURANCE	53,399.37	2.3	53,313.89	2.1	53,399.37	2.3	169,397.26	1.8
4820.00 CARGO INSURANCE	3,185.77	.1	62.46	.0	3,185.77	.1	9,823.85	.1
4830.00 PHYSICAL DAMAGE INSURANCE	3,070.75	.1	1,905.98	.1	3,070.75	.1	8,039.70	.1
4840.00 GENERAL LIABILITY	.00	.0	.00	.0	.00	.0	207.00	.0
4850.00 CLAIMS EXPENSE	5,288.15	.2	1,583.63	.1	5,288.15	.2	52,668.65	.6
4855.00 PROPERTY INSURANCE	.00	.0	856.00	.0	.00	.0	1,434.94	.0
4890.00 INSURANCE BONDS	600.00	.0	.00	.0	600.00	.0	700.00	.0
4895.00 UMBRELLA INSURANCE	.00	.0	.00	.0	.00	.0	44.00	.0
5110.00 WORKERS COMP INSURANCE	35,290.10	1.5	15,290.10	.6	35,290.10	1.5	110,555.02	1.2
5117.00 WORKERS COMP CLAIMS	58,691.79	2.5	56,829.29	2.2	58,691.79	2.5	77,800.12	.8
5127.00 RIDER INSURANCE	33.75	.0	.76	.0	33.75	.0	279.00	.0
5130.00 OCCUPATIONAL ACCIDENT INS	8,956.19	.4	2,234.98	.1	8,956.19	.4	14,760.27	.2
TOTAL INSURANCE	26,010.91	1.1	120,550.65	4.7	26,010.91	1.1	396,681.99	4.3
RECRUITING								
5210.00 ADVERTISING	351.00	.0	558.46	.0	351.00	.0	909.46	.0
5215.00 TRAVEL AND MEALS RECRUITING	78.58	.0	.00	.0	78.58	.0	768.38	.0
5216.00 RECRUITING/ORIENT SUPPLIES	317.99	.0	.00	.0	317.99	.0	317.99	.0
5220.00 RECRUITING BONUS	.00	.0	900.00	.0	.00	.0	3,300.00	.0
TOTAL RECRUITING	747.57	.0	1,458.46	.1	747.57	.0	5,295.83	.1
COMMUNICATION								
5300.00 TELEPHONE	4,456.76	.2	1,563.08	.1	4,456.76	.2	12,423.17	.1
5310.00 CELLULAR	3,579.25	.2	646.67	.0	3,579.25	.2	9,945.88	.1
5320.00 SATELLITE	9,170.05	.4	9,562.91	.4	9,170.05	.4	38,335.53	.4
TOTAL COMMUNICATION	17,206.06	.7	11,772.66	.5	17,206.06	.7	60,704.58	.7
PURCHASED TRANSPORTATION								
5411.00 OWNER OPERATOR PURCHASE TRANS	463,837.05	20.0	446,646.06	17.3	463,837.05	20.0	1,506,797.68	16.2
5412.00 FUEL SURCHARGE PAID OUT	931.89	.0	84.00	.0	931.89	.0	1,115.89	.0
5413.00 PTS CARRIER PURCHASE TRANS	26,103.11	1.1	26,785.16	1.0	26,103.11	1.1	110,377.98	1.2
TOTAL PURCHASED TRANSPORTATION	490,872.05	21.1	473,515.22	18.4	490,872.05	21.1	1,618,291.55	17.4
EQUIPMENT LEASE AND RENTALS								

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	Month	%	Month	%	Quarter	%	YTD	%
5420.30 XTRA LEASE	3,513.78	.2	1,294.62	.1	3,513.78	.2	4,808.40	.1
5420.91 WELLS FARGO LEASE	12,492.00	.5	12,492.00	.5	12,492.00	.5	49,968.00	.5
5421.00 PACCAR LEASE	35,170.60	1.5	24,696.00	1.0	35,170.60	1.5	148,838.21	1.6
5421.01 IBM LEASE-AS400	755.84	.0	951.48	.0	755.84	.0	4,145.56	.0
5422.00 PAUL LOGISTICS LEASE	98,749.00	4.2	88,519.90	3.4	98,749.00	4.2	353,547.90	3.8
TOTAL EQUIPMENT LEASE AND RENTALS	150,681.22	6.5	127,954.00	5.0	150,681.22	6.5	561,308.07	6.0
OTHER INCOME & EXPENSES								
8120.00 CONTRACT ACCOUNTING	5,812.50	.3	3,581.25	.1	5,812.50	.3	18,892.75	.2
8130.00 LEGAL EXPENSE	17,196.35	.7	667.69	.0	17,196.35	.7	38,056.41	.4
8140.00 AUDIT & TAX EXPENSE	3,870.68	.2	.00	.0	3,870.68	.2	3,870.68	.0
8415.00 FUEL DISCOUNTS	31,570.98	1.4	36,107.94	1.4	31,570.98	1.4	131,735.66	1.4
8440.00 PAYMENT DISCOUNTS	1,341.70	.1	2,730.37	.1	1,341.70	.1	8,087.94	.1
8441.00 PARAGON DISCOUNT	1,653.50	.1	.00	.0	1,653.50	.1	1,653.50	.0
8442.00 RTS FEES	31,756.43	1.4	35,900.21	1.4	31,756.43	1.4	127,279.82	1.4
8450.00 EMPLOYEE RELATIONS EXPENSE	53.21	.0	.00	.0	53.21	.0	53.21	.0
TOTAL OTHER INCOME & EXPENSES	19,065.03	.8	5,436.20	.2	19,065.03	.8	55,110.29	.6
DEPRECIATION								
8500.00 DEPRECIATION	189,693.79	8.2	178,901.12	6.9	189,693.79	8.2	729,845.31	7.8
8501.00 CUSTOMER BASE DEP	6,597.29	.3	6,597.29	.3	6,597.29	.3	26,389.16	.3
8520.00 NONOP LOSSES ON DISP. OF ASSET	2,067.25	.1	10,985.01	.4	2,067.25	.1	65,437.31	.7
8524.00 COMMISSION PD FOR EQUIP SALES	.00	.0	2,820.00	.1	.00	.0	4,320.00	.0
TOTAL DEPRECIATION	198,358.33	8.5	199,303.42	7.7	198,358.33	8.5	825,991.78	8.9
INTEREST EXPENSE REVENUE EQUIP								
8610.05 INT. EXP GE	10,000.00	.4	10,000.00	.4	10,000.00	.4	56,477.03	.6
8610.06 INT. EXP PACCAR	7,000.00	.3	7,000.00	.3	7,000.00	.3	37,312.58	.4
8610.08 INT. EXP GE-TIP	15,000.00	.6	15,000.00	.6	15,000.00	.6	90,000.00	1.0
8610.10 INT. EXP CITICAPITAL	7,000.00	.3	7,000.00	.3	7,000.00	.3	28,000.00	.3
8610.12 INT. EXP FCC	11,083.85	.5	.00	.0	11,083.85	.5	7,583.85	.1
8610.13 INT. EXP-CCG	18,064.40	.8	8,111.65	.3	18,064.40	.8	45,745.29	.5
8610.15 COPPERMARK BANK	760.70	.0	972.60	.0	760.70	.0	1,733.30	.0
8610.17 CITIZENS BANK OF OK INTEREST	2,344.02	.1	.00	.0	2,344.02	.1	7,639.50	.1
8610.18 GMAC INT. EXP.	542.08	.0	542.08	.0	542.08	.0	2,168.32	.0
8610.19 INT. EXP-CAPITAL LEASES	38,353.00	1.6	40,223.40	1.6	38,353.00	1.6	103,773.06	1.1
TOTAL INTEREST EXPENSE REVENUE EQUIP	87,980.35	3.8	88,849.73	3.4	87,980.35	3.8	365,265.23	3.9
OTHER INTEREST EXPENSE								
8610.40 INT. INCOME SAVINGS ACCOUNTS	19.19	.0	.00	.0	19.19	.0	23.19	.0
TOTAL OTHER INTEREST EXPENSE	19.19	.0	.00	.0	19.19	.0	23.19	.0
TOTAL OPERATING EXPENSES	2,430,399.01	104.5	2,541,601.63	98.6	2,430,399.01	104.5	9,812,581.09	105.4
TOTAL OPERATING REVENUE AND EXPENSES	105,646.60	4.5	35,109.60	1.4	105,646.60	4.5	498,472.93	5.4
NET INCOME/LOSS								
9999.99 NET INCOME/LOSS	105,646.60	4.5	35,109.60	1.4	105,646.60	4.5	498,472.93	5.4
TOTAL NET INCOME/LOSS	105,646.60	4.5	35,109.60	1.4	105,646.60	4.5	498,472.93	5.4

CASE NAME: Paul Transportation Inc

CASE NUMBER: 10-13022

CHAPTER 11

STATEMENT CONCERNING INSURANCE, TAXES
AND USE OF CASH COLLATERAL

I. Insurance

- A. Insurance is in effect and payments are current for coverage as indicated.

	<u>TYPE INSURANCE</u>	<u>POLICY EXPIRATION DATE</u>
<u>X</u>	Workers' Compensation	<u>04/28/2011</u>
<u>X</u>	Unemployment Insurance	
<u>X</u>	Casualty	
<u>X</u>	Liability	<u>01/17/2011</u>
<u>X</u>	Other (Cargo)	<u>01/17/2011</u>

Attached hereto are Certificates of Insurance or other proof of insurance for the above.

II. TAXES

- A. **Post-petition** federal and state withholding and payroll taxes are current.
- B. Delinquencies, if any, are as follows:
FICA/MED
Federal Withholding
State Withholding
Unemployment taxes
Trade related taxes

III. CASH COLLATERAL (Attach Statement)

- A. Cash collateral will be necessary to fund Debtor's post-petition operations.
- B. Debtor has filed a request for use of cash collateral under 11 U.S.C. Sections 363 and 364.



CERTIFICATE OF LIABILITY INSURANCE

OP ID: PM
PAULT-2

DATE (MM/DD/YYYY)

06/02/10

PRODUCER Brown & Brown of Central OK P.O. Box 16340 Oklahoma City OK 73113 Phone: 866-678-5862 Fax: 405-607-6353		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Leased Operators of Paul Trans P.O. Box 5006 Enid OK 73702		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER A: Lexington Insurance Company	19437
		INSURER B: Nat'l Union Fire Ins Co of PA	
		INSURER C: Great American Insurance Co.	
		INSURER D:	
		INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
C		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Bobtail	GTP9682042	05/09/10	05/09/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below Y/N <input type="checkbox"/>	CL1049666 *CONTINGENT	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100000 E.L. DISEASE - EA EMPLOYEE \$ 100000 E.L. DISEASE - POLICY LIMIT \$ 500000
B		Occupational Accident	9115427	01/11/10	01/11/11	Benefit schedule per master policy

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

PAULENTI Paul Transportation Systems, Inc. Fax #580-237-5916 P. O. Box 5006 Enid OK 73702	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
--	--

ACORD 25 (2009/01)

reserved.

The ACORD name and logo are registered marks of ACORD



CERTIFICATE OF LIABILITY INSURANCE

 OP ID: FM
 PAULT-1

DATE (MM/DD/YYYY)

06/02/10

PRODUCER Brown & Brown of Central OK P.O. Box 16340 Oklahoma City OK 73113 Phone: 866-678-5862 Fax: 405-607-6353		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Paul Transportation, Inc. P.O. Box 5006 Enid OK 73702		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER A: National American Ins. Co.	23663
		INSURER B: Midwest Employers Casualty Co.	
		INSURER C: Underwriters at Lloyds, London	
		INSURER D:	
		INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY	3G10050235	01/17/10	01/17/11	EACH OCCURRENCE \$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
		<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 5,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				PERSONAL & ADV INJURY \$ 1,000,000
		<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY	3A10030435	01/17/10	01/17/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
		<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
		<input type="checkbox"/> HIRED AUTOS				
		<input type="checkbox"/> NON-OWNED AUTOS				
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
						AUTO ONLY: AGG \$
		EXCESS / UMBRELLA LIABILITY				EACH OCCURRENCE \$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
		<input type="checkbox"/> DEDUCTIBLE				\$
		<input type="checkbox"/> RETENTION \$				\$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WCMU11821 \$500,000 SIR	04/28/10	04/28/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)				E.L. EACH ACCIDENT \$ 1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000
		OTHER				
C		Cargo	098168-001	01/17/10	01/17/11	Limit \$100,000 All Risk

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

PAULENTI

 Paul Transportation, Inc.
 Fax #580-237-5916
 P. O. Box 5006
 Enid OK 73702

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

CASE NAME: Paul Transportation Inc

CASE NUMBER: 01-13022

CHAPTER 11

FOUR MONTH INCOME AND EXPENSE PROJECTION

SEE ATTACHED

	<u>(MONTH)</u>	<u>(MONTH)</u>	<u>(MONTH)</u>	<u>(MONTH)</u>
<u>INCOME FROM OPERATIONS</u>				
(Indicate source categories, i.e., rent, sales, service, etc.)				
1.				
2.				
3.				
(SUBTOTAL)	<u> </u>	<u> </u>	<u> </u>	
<u>TOTAL INCOME</u>	<u> </u>	<u> </u>	<u> </u>	
<u>EXPENSES</u>				
Cost of Goods Sold				
Salaries				
Taxes				
Insurance				
Rent				
Other (Itemize)				
1.				
2.				
3.				
4.				
(SUBTOTAL)	<u> </u>	<u> </u>	<u> </u>	
<u>TOTAL EXPENSES</u>	<u> </u>	<u> </u>	<u> </u>	
<u>PROJECTED NET INCOME</u>				
<u><LOSS> FROM OPERATIONS</u>	<u> </u>	<u> </u>	<u> </u>	

(ATTACH TO DEBTOR'S INITIAL REPORT)

Monthly Cash Flow									
2010									
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
REVENUE									
Linehaul	\$ 1,976,426	\$ 2,176,426	\$ 2,176,426	\$ 2,176,426	\$ 2,176,426	\$ 2,126,426	\$ 2,076,426	\$ 2,076,426	\$ 16,961,410
FSC change formula 18.2%	\$ 631,209	\$ 667,609	\$ 667,609	\$ 667,609	\$ 667,609	\$ 576,609	\$ 367,309	\$ 421,909	\$ 4,667,470
Accessorials	\$ 37,218	\$ 37,218	\$ 37,218	\$ 37,218	\$ 37,218	\$ 37,218	\$ 37,218	\$ 37,218	\$ 297,742
Brokerage Revenue	\$ 123,849	\$ 123,849	\$ 123,849	\$ 123,849	\$ 123,849	\$ 123,849	\$ 123,849	\$ 123,849	\$ 990,792
Total Freight and Brokerage Revenue	\$ 2,768,702	\$ 3,005,102	\$ 3,005,102	\$ 3,005,102	\$ 3,005,102	\$ 2,864,102	\$ 2,604,802	\$ 2,659,402	\$ 22,917,414
EXPENSES									
Salaries	\$ 706,019	\$ 766,301	\$ 766,301	\$ 766,301	\$ 766,301	\$ 730,346	\$ 664,224	\$ 678,147	\$ 5,843,940
Benefits and Taxes	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 480,000
Fuel 25% of Revenue	\$ 692,175	\$ 751,275	\$ 751,275	\$ 751,275	\$ 751,275	\$ 716,025	\$ 651,200	\$ 664,850	\$ 5,729,353
Operating Expenses	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 3,200,000
Insurance	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 480,000
WC Claims/Insurance	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 320,000
Communication	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 128,000
Purchased Transportation- 51 owner/ops	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,400,000
Recruiting	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 20,800
Total Op Expenses	\$ 2,276,794	\$ 2,396,176	\$ 2,396,176	\$ 2,396,176	\$ 2,396,176	\$ 2,324,971	\$ 2,194,025	\$ 2,221,598	\$ 18,602,094

*Projections do not include adequate protection payments or professional fees

CASE NAME: Paul Transportation Inc

CASE NUMBER: 10-13022

CHAPTER 11

DESIGNATION AND ACCEPTANCE OF INDIVIDUAL
RESPONSIBLE FOR DISCHARGING DEBTOR'S DUTIES

The Debtor-in-Possession in the above and foregoing case hereby designates Troy Paul, as provided under Bankruptcy Rule 9001(5) as the individual responsible for discharging the duties of the Debtor under 11 U.S.C. Section 1107 and as may be required by the Court or the United States Trustee.

DEBTOR-IN-POSSESSION

DATE: 06/07/2010

BY: Troy Paul

DATE: 06/07/2010

ACCEPTED BY:

NAME: Troy Paul

TITLE: President

ADDRESS: Po Box 5006

Enid Ok 73702

TELEPHONE: 580-242-4129

(ATTACH TO DEBTOR'S INITIAL REPORT)

EXHIBIT "6"

CASE NAME: Paul Transportation Inc.

CASE NUMBER: 10-13022

CHAPTER 11

DESIGNATION AND ACCEPTANCE OF INDIVIDUAL RESPONSIBLE FOR
PREPARATION OF FINANCIAL REPORTS FOR DEBTOR-IN-POSSESSION

The debtor-in-Possession in the above and foregoing case hereby designates Mike Forsyth, as the individual responsible for the preparation of all financial reports as required by the Court or the United States Trustee. Should this individual cease to be responsible for the preparation of these reports, the Debtor-in-Possession will promptly designate the new responsible individual in the same form and manner as expressed by this designation and acceptance.

DEBTOR-IN-POSSESSION

DATE: 06/07/2010

BY:

ACCEPTED BY:

RESPONSIBLE INDIVIDUAL

NAME: Mike Forsyth

ADDRESS: 808 West Cypress
Altus Ok 73521

TELEPHONE: 580-977-2987

(ATTACH TO DEBTOR'S INITIAL REPORT)

CASE NAME: Paul Transportation Inc

CASE NUMBER: 10-13022

CHAPTER 11

RECEIPT AND CERTIFICATION CONCERNING OPERATING REQUIREMENTS

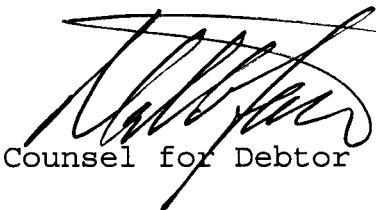
The undersigned representative responsible for discharging the duties of the Debtor in the above and foregoing case acknowledges receipt from the United States Trustee of his operating requirements. The undersigned hereby certifies that he or she has read and understood the contents herein, and agrees to operate the Debtor's business and file reports in accordance with said requirements.

DEBTOR-IN-POSSESSION

DATE: 06/07/2010

BY: 
Debtor's Representative

The undersigned as counsel for the Debtor has read and reviewed with the Debtor the above referenced operating instructions and reporting requirements.


Counsel for Debtor

(ATTACH TO DEBTOR'S INITIAL REPORT)

EXHIBIT "8"

CASE NAME: Paul Transportation IncCASE NUMBER: 10-13022

CHAPTER 11

DEBTOR'S SECTION 345 CERTIFICATE**See Guidelines for Additional Information**

The following information reflects a true and accurate accounting of the Debtor's bank accounts and other cash deposits in any form with any institution. I understand that it is the Debtor-in-Possession's responsibility to comply with 11 U.S.C. Section 345 so that all funds of the estate are fully insured at all times and I understand three (3) separate "Debtor-in-Possession" accounts are to be maintained, a GENERAL ACCOUNT, PAYROLL ACCOUNT AND TAX ACCOUNT.

OLD BANK ACCOUNT INFORMATION - The following information represents the account balances of all cash deposits as of the date of the Order of Relief. (Pre-Petition bank accounts)

<u>BANKING INSTITUTION</u>	<u>ACCOUNT NUMBER</u>	<u>BALANCE AS OF FILING</u>
Coppermark Bank	xxxxxx4720	*\$92,450.44
	xxxxxx6873	\$1,197.71
	xxxxxx4688	\$255.50

*Balance includes outstanding checks.

NEW BANK ACCOUNT INFORMATION - The following information represents the Debtor in Possession bank accounts established post petition. (Post-Petition bank accounts)

Debtor is authorized to maintain current bank accounts, but has opened a new tax account.

Coppermark Bank	xxxxxx4571	\$0.00
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(ATTACH TO DEBTOR'S INITIAL REPORT)



Dated: May 21, 2010 11:56:05
The following is ORDERED:

T. M. Weaver

T. M. Weaver
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re:

PAUL TRANSPORTATION, INC.,
Tax ID No. 71-0921816,

Debtor.

)
)
)
)
)
)

Case Number: 10-13022-NLJ
(Chapter 11)

**ORDER AUTHORIZING: (A) CONTINUED USE OF EXISTING BANK
ACCOUNTS, CHECKS AND BUSINESS FORMS; AND
(B) AUTHORIZING PAYMENT OF BANK CHARGES**

This matter comes before the Court upon Debtor's Motion for Order Authorizing:

(A) Continued Use of Existing Bank Accounts, Checks and Business Firms; and (B) Payment of Bank Charges (the "Motion"), and after due deliberation and good cause appearing therefore:

THE COURT FINDS AND CONCLUDES THAT:

- A. The Court has jurisdiction over these matters pursuant to 28 U.S.C. § 1334(b).
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

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Case: 10-13022 Doc: 39 Filed: 05/21/10 Page: 2 of 3

C. Due and adequate notice has been given to all parties entitled thereto, and no other or further notice is necessary or required.

D. The relief requested in the Motion is necessary and in the best interests of the Debtor.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted.
2. The Debtor is authorized, but not directed: a) to maintain and to continue to use the existing pre-petition bank accounts described in the Motion (the "Pre-Petition Bank Accounts"); b) to continue to use the existing checks and business forms on these accounts without alteration and without the designation "debtor in possession" imprinted upon them; provided, however, that once existing checks have been used, the Debtor will, when reordering checks, include the designation of "debtor in possession" and the corresponding bankruptcy case number on all such checks; and c) to treat the Pre-Petition Bank Accounts for all purposes as accounts of the Debtor as debtor-in-possession.
3. The Debtor is authorized, but not directed, and pay the accrued monthly service charges on the Pre-Petition Bank Accounts in the ordinary course of business.
4. Coppermark Bank is hereby authorized to honor all checks drawn against the Pre-Petition Bank Accounts and presented for payment post-petition, whether written pre or post-petition, except as may otherwise be ordered by this Court.
5. Statements on the Pre-Petition Bank Accounts shall differentiate pre-petition activity from post-petition activity.

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6. The Debtor's authorization to continue to use the Pre-Petition Bank Accounts shall not impact the Debtor's obligation to establish other bank accounts as directed under any other Court Order.

7. The U.S. Trustee consents to the entry of this Order.

8. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

9. The Debtor shall notify all interested parties of this Order.

IT IS SO ORDERED.

###

Approved for entry:

/s/ Matthew C. Goodin
Matthew Goodin, OBA #19327
Stephen W. Elliott, OBA #2685
G. David Bryant, OBA #01264
KLINE KLINE ELLIOTT & BRYANT, PC
720 N.E. 63rd Street
Oklahoma City, OK 73105
Telephone (405) 848-4448
Facsimile (405) 842-4539
mgoodin@klinefirm.org

ATTORNEYS FOR THE DEBTOR IN POSSESSION,
PAUL TRANSPORTATION, INC.

DEBTOR INFORMATION SHEET

**ONLY TO BE SUBMITTED IF SCHEDULES AND STATEMENT OF
AFFAIRS NOT FILED WITH PETITION**

CASE NAME: PAUL TRANSPORTATION, INC. CASE NUMBER: 10-13022

**SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS WERE FILED
WITH THE PETITION ON MAY 18, 2010.**